



DEPARTMENT OF STATE

Washington, D. C. 20520

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MEMORANDUM OF CONVERSATION

Date: January 25, 1983

Time: 9 a.m.

Place: The Secretary's
Office

SUBJECT: PFIAB's Concern Over Employment of Soviet
Nationals by Embassy Moscow

PARTICIPANTS: Anne Armstrong, Chairman, President's Foreign
Intelligence Advisory Board (PFIAB)
Leo Cherne, Deputy Chairman, PFIAB
Martin Anderson, Chairman of PFIAB Counter-
intelligence Task Force

CIA Director William Casey

The Secretary
Under Secretary Van Gorkom
Assistant Secretary Burt, Designate
INR Deputy Assistant Secretary Cohen
Office of Foreign Missions Director Maestrone
Executive Assistant Seitz
EUR/SOV Deputy Director Combs (notetaker)

PFIAB Chairman Anne Armstrong met with the Secretary at her request to inform him and CIA Director Casey of PFIAB's concern over the employment of Soviet nationals at Embassy Moscow. The meeting lasted about 30 minutes.

Mrs. Armstrong opened the discussion by expressing the Board's continuing concern over the large number of Soviet citizens currently working at our Embassy in Moscow. This situation had evolved over the years, and no one person was at fault. The Board felt quite strongly that the recently-passed Foreign Missions Act provided a new weapon with which to rectify the situation. The Board had considered this matter strictly from the point of view of counterintelligence. This was a discrete problem, involving only a few agencies. A policy decision would, of course, be up to the Secretary and his colleagues. But PFIAB would, in its February 15 report to the President, recommend that a program be instituted to seek parity between the number of Soviets working at our Embassy in Moscow

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-2-

and the number of Americans working at the Soviet Embassy in Washington. The Board would also recommend that Soviet

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Mr. Anderson pointed out that this issue arose as PFIAB was consulting with the FBI about the overwhelming Soviet presence in the United States. The FBI simply could not watch all of them, and PFIAB was still looking into this problem. In the course of examining this matter, PFIAB came across the large number of Soviets working in our Moscow Embassy. Some PFIAB members expressed particular concern over the sensitive positions held by Soviets at our Embassy, including telephone operators, drivers, and furniture upholsterers.

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Mr. Anderson continued that the Board did not feel all Soviet locals should go. It did feel that, purely from a counterintelligence viewpoint, an effort should be made to reduce the large number of locals, especially those in sensitive positions. The Board had looked into the practice of other embassies in Moscow: the British employed as many Soviets as Brits; others had a smaller proportion of Soviets, and the Chinese employed no Soviets at all. Of course, the Soviets had no direct say about whom we employed in Moscow. However, they could refuse to provide additional housing were we to attempt to increase the number of Americans at the Embassy. In that case, perhaps the Foreign Missions Act could be used to our advantage.

Mrs. Armstrong concluded the Board's opening presentation by stating that the Board wanted to see motion in the direction of greater reciprocity.

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Mr. Anderson noted that in past cases of expulsions involving countries other than the United States, the Soviets had responded with restraint. This might not hold true for retaliation against the United States, however. But we could achieve parity by increasing Americans in Moscow, as opposed to removing Soviets from Washington.

The Secretary said he was aware of many arguments, both pro and con, on this issue. PFIAB would make its recommendation; we would decide what course to take, or follow the President's instructions should he decide to issue any. The chief criterion in this area should be: what provides the best security for our operations in Moscow? It was not at all clear this could be achieved by removing all Soviets and replacing them with Americans. In response to Mrs. Armstrong's comment that no one had made that argument to her, the Secretary explained that our current approach was to concentrate on specific, carefully secured areas of the Embassy, to which only Americans had access. It was difficult and expensive to establish and protect such areas. We had done so, while leaving other areas of the Embassy open to non-cleared personnel and to Soviets. We could increase our overall vulnerability by bringing in more Americans; whose access to secure areas would be difficult to restrict. This would be all the more true if the new employees were relatively low-ranking and low-paid; our experience showed that these people tended to be more vulnerable to compromise by the KGB. Hence it did not necessarily follow that an increase in the number of American employees meant an increase in our security. The situation was complex, although we would not want to argue that the current mix of Soviets and Americans was perfect in every respect.

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Under Secretary Van Gorkom noted that we were dealing here with two fundamentally different philosophies of security. Reflecting their general sense of paranoia, the Soviets viewed their entire Embassy as a secure area. We chose to view only a carefully guarded portion of our Embassy as secure, and to conduct all of our sensitive activities within that area. Otherwise, we assumed that every Soviet was a spy, that all conversations could be overheard, and that all telephones were tapped.

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As the meeting came to a close, Mr. Cherne said he felt the chief benefit of the gathering was to air this issue, which the Board felt had not been reviewed at top levels. The Secretary reiterated his feeling that our rule of thumb should be to hire Americans if this would increase our security, but remain mindful of the counterpoint that we could overdo this and increase rather than decrease our overall vulnerability.

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